

AWARD TERM INCENTIVE
OPTION PLAN (ATIOP)
For
Ready Reserve Force (RRF)
Ship Manager Contracts
Awarded Under
Solicitation DTMA8R04004

Approved by

Term Determining Official
Procuring Contracting Officer

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PART 1 INTRODUCTION

A. Overview

This plan covers the administration for the award term and additional vessel incentive option provisions of contracts to be awarded under Solicitation DTMA8R04004 for ship manager services in support of the Maritime Administration's (MARAD) Ready Reserve Force (RRF) Program.

B. Contract Matters

The following matters, among others, are covered in the contract(s):

1. The contractor (Ship Manager) is required to provide services to maintain assigned RRF vessels in Fully Mission Capable Readiness Status and efficiently activate and operate these vessels in support of national emergencies and defense objectives. The scope of services to be provided is detailed in Section C of the Contract.
2. There are fifty-seven (54) vessels included in this acquisition. Most of the groups consist of two or three ships of the same class. Multi-year contracts will be awarded for fifty-four (51) of the vessels. With the exception of two ship groups, the resulting contracts will have one four-year base performance period, with two 3-year options. The base term of the contracts shall not exceed 48 months from its effective date, with annual cancellation ceilings through contract year 10, in accordance with the provisions of FAR Clause 52.217-2 CANCELLATION UNDER MULTI-YEAR CONTRACTS. The total term of the resulting contracts shall not exceed ten (10) years, including all option years.
3. One single-vessel group (#6) is scheduled to be awarded for one year with two 1-year options.
4. One two-ship group (#11) will be awarded as a multi-year contract with a two-year base performance period and eight 1-year options, with a cancellation ceiling for contract year 2, in accordance with the provisions of FAR Clause 52.217-2 CANCELLATION UNDER A MULTI-YEAR CONTRACTS. The total term of the contract for Ship Group 11 shall not exceed 10 years, including all option years if exercised.
5. Ship groups (SG) 6 and 11 will not be considered for incentive awards due to the uncertainty of the program requirement and associated funding.
6. The estimated cost for the base period of performance is described in Section B of the contract. The services to be performed under this contract will be incrementally funded for each performance period.
7. Performance periods beyond contract year 1 will be subject to availability of funds.

8. The fixed price per diem rates for the option years (i.e., award terms) and additional vessels are subject to escalation in accordance with the Economic Price Adjustment (EPA) Clause, FAR 52.222-43, inclusive of Consumer Price Index (CPI) and future wage determinations.
9. The award term for the base years and option years, if exercised, are (except for SG 6 and SG 11):
 - a. Base year = 48 months (4 years) from effective date of contract.
 - b. 1st Award Term Incentive Option = 36 months (3 years)
 - c. 2nd Award Term Incentive Option = 36 months (3 years)
10. The option for additional terms and/or additional vessels is determined by the Government's evaluation of the contractors' performance in terms of the criteria stated in this Award Term Incentive Option Plan (ATIOP), consistent with other factors such as, results from Contract Administrative Reviews (CAR), information contained in the Ship Manager Performance Evaluation and Appraisal System (SM-PEAS), etc. In determining whether to award an incentive option for additional vessels, the Government will consider the contractor's experience by class of ship and the availability of ships. This determination and the methodology for determining the additional terms, and additional vessels, if applicable, are unilateral decisions made solely at the discretion of the Government.
11. The Term Determining Official (TDO) may unilaterally change the particulars of this Plan, as covered in Part VI, below, providing the contractor receives notice of the change at least fifteen (15) calendar days prior to the beginning of the evaluation period to which the changes apply.

C. Award Term Incentive Option

1. The determination to award an additional term incentive option is contingent upon the contractor maintaining excellent levels of ongoing performance in all areas of the contract, as well as exhibiting continuous improvements in performance, and reductions of costs, whether specified as award term evaluation areas or not, for each evaluation period throughout the term of the contract. This is designed to reinforce the importance of overall superior contract performance.
2. The exercise of additional award term incentive options to the contractor is unilaterally determined by the Government's evaluation of the contractor's performance. See Part IV.

D. Additional Vessels Incentive Option

1. The determination to award additional vessel options is contingent upon the contractor maintaining excellent levels of ongoing performance in all areas of the contract, and exhibiting continuous improvements in performance and reduction of costs, whether specified as award term evaluation areas or not, for each evaluation period throughout the term of the contract. This is designed to reinforce the importance of overall superior contract performance.

2. The award of additional vessel option to the contractor is unilaterally determined by the Government's evaluation of the contractor's performance. See Part IV.

PART II EVALUATION SCHEDULE AND SCORING

A. Schedule of Evaluation Periods for Base Years and Award Term Incentive Option Years

The Government will complete an initial performance evaluation at the completion of the ninth month of the base year. This evaluation period will be scored but not counted in the Award Term Decision Point (ATDP), but will be used as a “wake-up” period for the contractor, at which time the Government will identify areas of performance impacting the contractor’s ability to obtain an award term and additional vessels option. The Government will complete a performance evaluation every six (6) months thereafter, following the initial 9-month evaluation, which will be scored and considered in the award term incentive determination.

B. Evaluation Scoring

1. Each evaluation will be worth 1000 points. The decision to grant the first (1st) award term incentive option will be made after the fourth (4th) evaluation. To earn the first (1st) award term incentive option, the contractor must have accumulated a minimum of 3100 points out of the 4000 potential points, with no more than one (1) individual evaluation receiving a score of less than 700 out of 1000. The Contracting Officer shall notify the contractor of the decision no more than ninety (90) days nor less than sixty (60) days prior to the end of the performance period for the third year of performance.
2. To determine whether to grant a second or subsequent award term incentive option, the Government will consider the contractor's performance in the four (4) most recent evaluations. To earn an additional award term incentive option, and additional vessel option, if applicable, the contractor must have accumulated at least 3500 points out of the 4000 points possible on those evaluations, with no more than one individual evaluation receiving a score of less than 800 out of the 1000. The Contracting Officer will notify the contractor no more than ninety (90) days nor less than sixty (60) days prior to the end of the award term.
3. If the TDO determines to grant an award term incentive option, the Contracting Officer shall execute a modification to add the award term incentive option period to the contract performance period.
4. If the TDO determines to grant additional vessels via the incentive option, the Contracting Officer shall execute a modification to exercise the incentive option by adding the ship group to the contract.
5. If the contractor decides to not accept the award term incentive option period and/or the additional vessels option, the contractor must notify the Contracting Officer in writing no later than 240 days prior to the start of the applicable award term period. The contractor, however, remains fully responsible for continued satisfactory performance for the remaining performance period of the contract in spite of such a decision.

C. ATDP Timetable

The schedule below reflects the timetable for evaluations of award term incentive option decision points (assumes performance commencement date of April 2005). The Award Term Decision Point (ATDP) precedes the Contracting Officer's determination, under FAR Part 17.207, to exercise the option.

Schedule of Evaluation Periods and Award Term Incentive Option Periods									
Core Performance Periods				Award Term Incentive Option Periods					
Contract Base Year 1	Contract Base Year 2	Contract Base Year 3	Contract Base Year 4	1 st Award Term Contract Year 5	1 st Award Term Contract Year 6	1 st Award Term-Contract Year 7	2 nd Award Term Contract Year 8	2 nd Award Term Contract Year 9	2 nd Award Term Contract Year 10
Jan 2006 Evaluate for initial period (9 months of 1 st CY) ("Wake-up Period")	July 2006 1 st six-month evaluation	July 2007 3 rd six-month evaluation	July 2008 5 th six-month evaluation	July 2009 6 th six-month evaluation	July 2010 8 th six-month evaluation	July 2011 10 th six-month evaluation	July 2012 12 th six-month evaluation	July 2013 13 th six-month evaluation	July 2014 15 th six-month evaluation
	Jan 2007 2 nd six-month evaluation	Jan 2008 4 th six-month evaluation (1 st ATDP)	Jan 2009 6 th six-month evaluation	Jan 2010 7 th six-month evaluation	Jan 2011 9 th six-month evaluation (2 nd ATDP)	Jan 2012 11 th six-month evaluation	Jan 2013 12 th six-month evaluation	Jan 2014 14 th six-month evaluation	

PART III ORGANIZATIONAL STRUCTURE FOR AWARD TERM ADMINISTRATION

The following organizational structure is established for administering the award term and additional vessel option provisions of the contract(s). Note that this structure is subject to change at the discretion of the Government.

A. Award Term Determination Official (TDO)

1. The TDO is the Director, Office of Ship Operations
2. Primary TDO responsibilities are:
 - a. Approves the Award Term Plan and any changes thereto;
 - b. Reviews recommendations made by the Award Term Review Board (ATRB) and considers all information from pertinent sources;
 - c. Determines the earned award term points for each evaluation period;
 - d. Appoints the ATRB Chairperson;
 - e. Approves award term and additional vessel options earned for each evaluation period as addressed in Part III below.

B. Award Term Review Board (ATRB)

1. The Chairperson of the ATRB is the Deputy Director, Office of Ship Operations, or some other person appointed by the TDO. The following are voting members of the ATRB:
 - a. William Cahill, Chairperson
 - b. Chief, Division of Maintenance & Repair, Deputy Chairperson
 - c. Iris Cooper, Contracting Officer
 - d. Rilla Gaither, Recorder
 - e. Tim Roark, Member
 - f. *Quality Assurance Evaluator(s) – TBD (delegated Contracting Officer's Technical Representatives and Administrative Contracting Officers)*
2. The Chairperson may recommend the appointment of other non-voting members to assist the ATRB in performing its functions. Possible non-voting members are:
 - a. *SOMO - TBD*
 - b. *FCO – TBD*
 - c. *Logistics Manager – TBD*
 - d. *Chief Counsel – TBD*
3. The primary responsibilities of the ATRB are:
 - a. Review Program Monitors' evaluations of the contractor's performance;

- b. Conduct periodic evaluations of contractor performance by reviewing all performance elements prior to ATRB meetings, noting questionable areas and computing a tentative score for each category;
- c. Consider all information from pertinent data, discusses events with fellow members at the meeting(s), and requiring clarifications from Program Monitors, if necessary;
- d. Calculate and vote on earned award term points on the basis of what is presented and substantiated;
- e. Prepare and submit ATRB Report to the TDO covering the ATRBs finding and recommendations for each evaluation period; and
- f. Recommend changes to the ATIOP, if necessary.

C. Performance Monitors (PMs)

- 1. A monitor will be assigned to each or several performance areas to be evaluated. A list of performance monitors with their assigned areas of evaluation is shown in Exhibit 1 to the ATIOP.
- 2. Each monitor will be responsible for complying with the General Instructions for Performance Monitors (Exhibit 2) and any specific instructions of the ATRB Chairperson.
- 3. The primary responsibilities of the PMs are:
 - a. Monitor, evaluate, and assess contractor performance, and maintain written records of contractors performance in assigned area(s);
 - b. Ensure that fair and accurate evaluation is obtained;
 - c. Prepare interim (mid-point) evaluation reports as directed by ATRB;
 - d. Recommend appropriate changes in this Plan for consideration, as addressed in Part VI below.

PART IV METHOD FOR DETERMINING AWARD TERM INCENTIVE OPTION AND ADDITIONAL VESSELS OPTION

A determination of the award term incentive option and, if applicable, additional vessel option earned for each evaluation period will be made promptly by the TDO after the end of the period. The method to be followed in monitoring, evaluating, and assessing contractor performance during the period, as well as for determining the award term and additional vessel options, is described below.

A. The ATRB Chairperson will assign a performance monitor(s) for each or several performance areas and/or sub-areas to be evaluated under the contract. PMs will be selected on the basis of their expertise relative to prescribed performance area emphasis. The PM role may be in addition to, or an extension of, regular responsibilities. The ATRB Chairperson may change monitor assignments at any time without advanced notice to the contractor. The ATRB Chairperson will notify the contractor promptly of all monitor assignments.

B. The ATRB Chairperson will ensure that each PM receives the following:

- a. A copy of the contract and all modifications;
- b. A copy of this Plan, along with any changes made in accordance with Part V, below;
- c. Appropriate orientation and guidance; and
- d. Specific instructions applicable to a monitor's assigned performance area(s), if applicable.

C. PMs will monitor, evaluate and assess, and maintain written record of contractor performance and will discuss the results with contractor personnel or management, as appropriate, in accordance with the General Instructions for Performance Monitors detailed in Exhibit 2 of this Plan, as well as with specific instructions and guidance furnished by the ATRB Chairperson.

D. PMs will submit written quarterly performance monitor reports and, if required, make verbal presentations to the ATRB.

E. As requested, the ATRB Chairperson will request and obtain performance information from other MARAD units or personnel normally involved in observing contractor performance or are recipients of contractor services.

F. Periodically, the ATRB will consider PM Reports and other performance information it obtains and will discuss the reports and information with PMs or other personnel, as appropriate.

G. Promptly, at the end of each evaluation period, the ATRB will consider all the performance information it has obtained, and will summarize its preliminary findings and recommendations for coverage in the ATRB Report.

H. The ATRB Chairperson will prepare the ATRB Report for the period and submit it to the TDO for use in determining the award term and additional vessels, if applicable, earned. The

ATRB Report will include a recommended range of award; i.e., additional award terms and/or vessel(s) options, as applicable, with supporting documentation. When submitting the ATRB Report, the Chairperson will inform the TDO whether the contractor desires to present any matters to the TDO before the award term incentive option and/or additional vessel option determination is made.

I. The TDO will consider the ATRB Report and discuss it with the ATRB Chairperson or other personnel, as appropriate. If requested by the contractor, or if the TDO considers it appropriate, the TDO will meet with the contractor for discussions. If requested by the TDO, the ATRB Chairperson and any other personnel involved in performance evaluations may be required to attend the meeting with the contractor.

J. The TDO will determine the incentive options earned during the evaluation period. The award term incentive option, as well as additional vessels option, will not result solely from mathematical summing, averaging, or the application of a formula. The TDO's determination of the award term incentive option, and/or additional vessel option, and basis for this determination will be stated in the Award Term Incentive Determination submitted to the Contracting Officer. The submittal will be signed by the TDO and his findings delivered to the Contracting Officer.

K. The determination to exercise an incentive option shall be made in accordance with FAR Part 17.207. The Contracting Officer will notify the contractor of the decision no more than ninety (90) days nor less than sixty (60) days prior to exercise of the option.

**PART V AWARD TERM INCENTIVE OPTION/ADDITIONAL VESSEL(S)
OPTION EVALUATION CRITERIA**

A. The evaluation criteria against which contractor performance will be evaluated are:

1. Quality of Service
2. Cost Control
3. Timeliness of Performance
4. Contractor Business Relations

B. Six (6) critical performance elements will be evaluated with respect to the above four (4) evaluation criteria. These six (6) critical areas for evaluation, and their associated weights, which reflect the performance priorities of the Government, are presented in Exhibit 4. Note that for any performance period, performance elements and their associated evaluation criteria and weights may be changed to reflect the type of work being performance or changes in program emphasis.

1. Responsive and High-Quality of Fleet Maintenance Requirements
2. Successfully Perform and Support Core RRF Requirements
(Activation/Operation/Deactivation/Logistics)
3. Adhere to Sound Safety, Security and Environmental Standards and Practices with No Adverse Impact on Personnel, Environment and Property
4. Adequately Crew Vessels with Qualified Marine Personnel
5. Compliance with Government and Company Business Policies, Procedures and Practices
6. Effective Management and Control of Costs

C. The performance elements and sub-elements will be evaluated based on the following general criteria. Specific evaluation criteria for each sub-area is included in the QASP, Technical Exhibit-2 of the contract (copy attached).

1. Responsive and High-Quality of Fleet Maintenance Requirements
 - 1-1 Preventive Maintenance Plan (PMP) Development and Maintenance
 - 1-2 Ship Manager is effectively and efficiently executing the PMP and successfully achieving readiness, activation and operational requirements
 - 1-3 Regulatory Body Classification/Certification
 - 1-4 Readiness of the Vessel
 - 1-5 Program Management Performance
 - 1-6 Quality and Completeness of Business Plan (M&R Work Plan)
 - 1-7 Quality of Ship Manager's Execution of the Business Plan (M&R Work Plan)
2. Successfully Perform and Support Core RRF Requirements
(Activation/Operation/Deactivation/Logistics)
 - 2-1 Quality of Vessel Activation and Deactivation
 - 2-2 Quality of Ship Operations
 - 2-3 Logistics

3. Adhere to Sound Safety, Security and Environmental Standards and Practices with No Adverse Impact on Personnel, Environment, and Property
 - 3-1 ISM Certification
 - 3-2 Environmental
 - 3-3 Vessel Security and Safety
4. Adequately Crew Vessels with Qualified Marine Personnel
 - 4-1 Contract Manning Levels and Quality
5. Compliance with Government and Company Business Policies, Procedures and Practices
 - 5-1 Quality Assurance
 - 5-2 Subcontracting Procedures
 - 5-3 Reporting/Customer Service
 - 5-4 Deliverables
6. Effective Management and Control of Costs
 - 6-1 Effectively manages and controls costs by implementing business processes and practices that accurately estimate, track, reconcile and close-out actions; as well as provide reduced costs to the Government while continuously improving performance throughout contract performance period.

D. The numerical ranges and adjective definitions in Exhibit 5 will be used in the award term/additional vessel(s) determinations.

C. Each of the performance elements and sub-elements described in Exhibit 4 will receive a score assigned to the adjective definitions in Exhibit 5. The total weighted average score of performance elements will be converted into a percentage of available points to be gained for the evaluation period based upon the chart in Exhibit 5.

D. The contractor does not “earn” an award term incentive option or additional vessels option solely by meeting the criteria of the ATIOP. The Government will consider other factors such as, results from CAR, information contained in the SM-PEAS, etc. In determining whether to award an incentive option for additional vessels, the Government will consider the contractor’s experience by class, as well as the availability of vessels. However, under the terms and conditions of the contract, if the contractor fails to meet the criteria of the ATIOP, the Contracting Officer may not consider the exercise of an option.

PART VI CHANGES IN PLAN COVERAGE

A. Right to Make Unilateral Changes

Any matters covered in this Plan not otherwise requiring mutual agreement under the contract will be changed by the Contracting Officer via a unilateral modification attaching the revised ATIOP. The change(s) will be made no later than fifteen (15) calendar days before the start of the applicable evaluation period.

B. Method for Changing Plan Coverage

1. Personnel involved in the administration of the award term incentive option and additional vessels option provisions of the contract are encouraged to recommend changes in plan coverage with a view toward changing management emphasis, motivating higher performance levels, or improving the award term determination process. Recommended changes should be sent to the ATRB Chairperson for consideration and drafting.
2. Prior to the end of each evaluation period, the ATRB will submit changes to the next evaluation period for approval by the TDO with appropriate comments and justifications, or inform the TDO that no changes are recommended for the next period.
3. The TDO will notify the Contracting Officer at least fifteen (15) days before the beginning of the evaluation period what changes, if any, are to be applied and the Contracting Officer will make the changes via a revised ATIOP as stated in Paragraph VI.A. above. If the contractor is not provided with this modification at least fifteen (15) calendar days before the beginning of the next evaluation period, the existing plan coverage will continue in effect for the next evaluation period.
4. No change to the ATIOP shall be effective until a modification is issued by the Contracting Officer.

PART VII APPENDICES OF EXHIBITS

Exhibit 1 – Performance Monitors

Exhibit 2 – General Instructions for Performance Monitors

Exhibit 3 – Actions/Schedules for Award Term/Additional Vessels Options
Determination

Exhibit 4 - Factors and Weights for Performance Evaluation

Exhibit 5 - Rating Guidelines

Exhibit 6 - Award Term Incentive Option Conversion Chart

Exhibit 1
Performance Monitors

<u>Performance Monitors</u>	<u>Major Functional Areas</u>
William Cahill, Deputy Director	Assigns PM for each or several performance areas and/or sub-areas to be evaluated. Ensures that each PM receives a copy of the contract and all modifications; a copy of this ATIOP, along with any changes, and provides appropriate orientation and guidance, and specific instructions to assigned performance area(s), if applicable.
Marine Surveyors	Maintains written records of the contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. Prepares interim and end of year evaluation reports as directed by the ATRB Chairperson. Performance monitors may also include the Contracting Officer's Technical Representative and Quality Control Personnel.
Administrative Contracting Officers (ACOs)	Ensures compliance with contract requirements, specifically all regulatory and reporting requirements, company commercial purchasing procedures, management of subcontracts, and implementation of approved subcontracting plans. Conducts annual CARs, prepares written report of findings in SM-PEAS, and maintain written records of contractor's performance in assigned evaluation area(s).
Term Determining Official (TDO) William Trost, Director	Approves the ATIOP and any changes thereto. Reviews recommendations made by the ATRB and determine the earned award term points for each evaluation period. Approves award terms and additional vessels.

Exhibit 2
General Instructions for Performance Monitors

1. Monitoring and Assessing Performance

- a. Monitors will review the ATIOP, and may discuss it with appropriate contractor personnel, and encourage maximum understanding of the evaluation and assessment environment.
- b. Monitors may schedule status meetings, as appropriate, to ensure tasks are on schedule or problems are identified as early in the evaluation period as possible.
- c. Monitors will plan and accomplish both announced and unannounced assessment visits at the contractor's facility and/or vessel locations; however, before each announced visit, the monitor should contact appropriate contractor personnel who may accompany the monitor, if desired.
- d. The monitor will discuss with contractor personnel, as appropriate, any observed deficiencies and/or recommendations. Adverse items or areas of poor performance will be addressed to afford the contractor an opportunity to clarify possible misunderstandings and to correct or resolve deficiencies.
- e. Monitors must remember that contacts and visits with contractor personnel are to be accomplished within the context of official contractual relationships. Monitors shall avoid any activity or association which might cause, or give the appearance of causing, a conflict of interest.
- f. Monitor discussions with contractor personnel are not to be used to instruct, to direct, to supervise, or as an attempt to control those personnel in the performance of this contract. The role of the monitor is to monitor, assess, and evaluate the contractor's performance; not to manage the contractor's effort.

2. Documenting Evaluations and Assessments

Evaluations and assessment conducted, results obtained, and discussions with contractor personnel will be documented in a quarterly report submitted by the Chairperson, ATRB, to the TDO.

3. Evaluation/Assessment Reports

Monitors will prepare a formal Performance Monitor Report in accordance with the following instructions for submission to the ATRB, or other, if applicable, not less than 14 days prior to the last day of the evaluation period.

4. Performance Monitor Reports

The Performance Monitor Report will be submitted by each monitor for that monitor's area of responsibility. The report will summarize and evaluate the contractor's performance for that monitor's area of responsibility and document specific reasons for the evaluation. Guidelines for evaluations are contained in Exhibit 4, below. Significant events should be documented and attached to the report, if applicable. A recommended rating (see Exhibit 6) for each functional area (see Exhibit 5) which falls within the monitor's area of responsibility should be included in the report.

5. Verbal Reports

Monitors will be prepared to make verbal reports as required by the ATRB Chairman or the TDO.

Exhibit 3
Actions/Schedules for Award Term/Additional Vessels Option Determination

The following is a summary of the principal actions involved in determining the award term and/or additional vessels option for each evaluation period.

<u>Action</u>	<u>Schedule</u>
1. The CO provides notification of any changes to the ATIOP	15 days prior to performance period
2. ATRB may recommend any changes to the ATIOP to TDO. (Time must be allowed for negotiation with contractor and possible ADR procedures)	Normally at least 90 days prior to end of period
3. <u>Interim Evaluations (IE)</u>	
(a) ATRB Recorder notifies each ATRB member and performance monitors	14 days prior to IE
(b) Monitors assess performance and discuss results with contractor	Ongoing after Contract NTP
(c) Monitors submit Performance Monitor Reports to the ATRB	10 days after the scheduled evaluation performance period
(d) ATRB Chairperson determines interim evaluations results and notifies contractor of strengths and weaknesses.	14 days after receipt of the IE PM Report
(e) Contractor written response to strengths and weaknesses to ATRB Chairperson, as applicable	14 days after receipt of ATRB report
(f) ATRB meets and summarizes preliminary findings and positions of the ATRB Report to TDO	7 days after the end of the performance period
4. TDO Complete Review of ATRB Report	60 days after receipt of ATRB Report
5. FAR 17.207 determination by CO	Prior to issuance of notice of intent to exercise option
6. Award Term Incentive Determination Notification to Contractor by CO	Within 90 days of Government intent to exercise option
7. Contractor notice of non-acceptance of additional terms and/or additional vessels options	240 days prior to start of applicable award term

Exhibit 4
Factors and Weights for Performance Evaluation

		Quality of Product & Service	Cost Control	Timeliness of Performance	Contractor Business Relations
		Meeting Requirements Reporting Accuracy Technical Excellence Appropriate Qualified Staff	Budget Control Billing Accuracy Funds Tracking/ Reporting Cost Efficiencies	Mtg Milestones/Deliverables Reliable Estimates Responsiveness to Technical Guidance Reporting Timeliness Project Completion	Effective Mgmt Responsiveness to Contract Needs Problem Resolution Reasonable & Cooperative
<i>Performance Goals</i>	<i>Goal Weights</i>				
<u>GOAL 1 – RESPONSIVE AND HIGH-QUALITY OF FLEET MAINTENANCE REQUIREMENTS</u>	200				
<i>Preventive Maintenance Plan (PMP)</i>					
<i>Development and Maintenance</i>	35	10	5	10	10
<i>PMP Execution</i>	35	10	10	10	5
<i>Regulatory Body Classification/ Certification</i>	35	10	5	10	10
<i>Readiness of the Vessel</i>	35	10	10	10	5
<i>Program Management Performance</i>	20	5	5	5	5
<i>Quality and Completeness of Business Plan (M&R Work Plan)</i>	20	5	5	5	5
<i>Quality of Ship Manager's Execution of The Business Plan (M&R Work Plan)</i>	20	5	5	5	5
<u>GOAL 2 - SUCCESSFULLY PERFORM AND SUPPORT CORE RRF REQUIREMENTS (ACTIVATION/ OPERATION/DEACTIVATION/ LOGISTICS)</u>	200				
<i>Quality of Vessel Activation and Deactivation</i>	75	20	20	20	15
<i>Quality of Ship Operations</i>	75	20	20	20	15
<i>Logistics</i>	50	15	10	15	10

		Quality of Product & Service	Cost Control	Timeliness of Performance	Contractor Business Relations
		Meeting Requirements Reporting Accuracy Technical Excellence Appropriate Qualified Staff	Budget Control Billing Accuracy Funds Tracking/ Reporting Cost Efficiencies	Mtg Milestones/Deliverables Reliable Estimates Responsiveness to Technical Guidance Reporting Timeliness Project Completion	Effective Mgmt Responsiveness to Contract Needs Problem Resolution Reasonable & Cooperative
<i>Performance Goals</i>	<i>Goal Weights</i>				
<u>GOAL 3 - ADHERE TO SOUND SAFETY, SECURITY AND ENVIRONMENTAL STANDARDS AND PRACTICES WITH NO ADVERSE IMPACT ON PERSONNEL, ENVIRONMENT, AND PROPERTY</u>	200				
<i>ISM Certification</i>	50	15	10	15	10
<i>Environmental</i>	75	20	10	20	25
<i>Vessel Security and Safety</i>	75	20	10	25	20
<u>GOAL 4 – ADEQUATELY CREW VESSELS WITH QUALIFIED MARINE PERSONNEL</u>	200				
<i>Contract Manning Levels and Quality</i>	200	50	50	50	50
<u>GOAL 5 – COMPLIANCE WITH GOVERNMENT AND COMPANY BUSINESS POLICIES, PROCEDURES AND PRACTICES</u>	100				
<i>Quality Assurance</i>	25	10	5	5	5
<i>Subcontracting Procedures</i>	30	5	10	10	5
<i>Reporting/Customer Service</i>	20	5	5	5	5
<i>Deliverables</i>	25	10	5	5	5

		Quality of Product & Service	Cost Control	Timeliness of Performance	Contractor Business Relations
	Performance Goals	Meeting Requirements	Budget Control	Mtg Milestones/Deliverables	Effective Mgmt
	Weights	Reporting Accuracy	Billing Accuracy	Reliable Estimates	Responsiveness to
		Technical Excellence	Funds Tracking/ Reporting	Responsiveness to Technical Guidance	Contract Needs
		Appropriate Qualified Staff	Cost Efficiencies	Reporting Timeliness Project Completion	Problem Resolution Reasonable & Cooperative
<u>GOAL 6 - EFFECTIVE MANAGEMENT AND CONTROL OF COSTS</u>					
Effectively manages and controls costs by implementing business processes and practices that accurately estimate, track, reconcile and close-out actions.	100	20	30	30	20

Exhibit 5 Rating Guidelines

Summarize contractor performance in each of the rating areas. Assign each area a rating of N/A (Not Applicable), 0 (Unsatisfactory), 1 (Poor), 2 (Fair), 3 (Good), (4) Excellent, and (5) Outstanding. Use the following instructions in making these evaluations. Ensure that this assessment is consistent with the Agency's Quality Assurance Surveillance Plan (QASP).

<i>Rating</i>	<i>Quality of Product/Service</i>	<i>Cost Control</i>	<i>Timeliness of Performance</i>	<i>Business Relations</i>
	<ul style="list-style-type: none"> Compliance with contract and requirements Technical quality/ accuracy of reports/ deliverables Ability to meet work assignment goals and objectives Appropriateness of professional mix to ensure quality of work while minimizing cost and time expenditures Adherence to regulations, procedures and guidelines 	<ul style="list-style-type: none"> Ability to meet cost estimates stated in the work plan and TO's Current, accurate and complete billings Record of forecasting and controlling target costs Cost reductions 	<ul style="list-style-type: none"> Development & maintenance of planned schedules and budgets for deliverables Responsive to technical direction Timely completion of task, including subcontract administration activities Met delivery schedules according to the schedule/deadlines given in contract, task order and/or work plan 	<ul style="list-style-type: none"> Responsive to contract requirements Ability to effectively manage subcontractors' costs and resources Ability to meet, manage and adhere to subcontracting plans Notification of problems; ability to identify and resolve problems Maintains regular communication link with appropriate Agency personnel and provides appropriate information enabling Agency personnel to keep abreast of work progress and issues
0 – Unsatisfactory	Nonconformances are jeopardizing the achievement of contract requirements despite major Agency involvement	Inability to manage cost issues is jeopardizing performance of contract requirements despite major Agency involvement	Delays are jeopardizing performance of contract requirements despite major Agency involvement	Response to inquiries, technical/service/ administrative issues is not effective.
1 – Poor	Overall compliance requires major Agency involvement to ensure achievement of contract requirements.	Ability to manage cost issues requires major Agency involvement to ensure achievement of contract requirements	Delays require major Agency involvement to ensure achievement of contract requirements	Response to inquiries, technical/service/administrative issues is marginally effective
2 - Fair	Overall compliance requires minor Agency involvement to ensure achievement of contract requirements.	Ability to manage cost issues requires minor Agency involvement to ensure achievement of contract requirements	Delays require minor Agency involvement to ensure achievement of contract requirements	Response to inquiries, technical/service/administrative issues somewhat effective
3 - Good	Overall compliance requires no Agency involvement to ensure achievement of contract requirements	Management of cost issues requires no Agency involvement to ensure achievement of contract requirements	Delays require no Agency involvement to ensure achievement of contract requirements	Response to inquiries, technical/service/ administrative issues usually effective
4 – Excellent	There are no quality problems	There are no unresolved cost management issues	There are no unexcused delays	Response to inquiries, technical/service/ administrative issues is effective.
5- Outstanding	The Contractor has demonstrated an outstanding performance level in any of the above four categories that justifies adding a point to the score. It is expected that this rating will be used in those rare circumstances when contractor performance clearly exceeds the performance level described as Excellent.			

Exhibit 6
Award Term Incentive Option Conversion Chart

Points	Performance Goal	QASP Correlation
1000 – 901	Outstanding	
900 – 800	Excellent	Exceeds Standards
799 – 700	Good	Meets Standards
699 – 600	Fair	Below Standards
599 – 501	Poor	Below Standards
Below 500	Unsatisfactory	

NOTE: A performance grade of unsatisfactory may be grounds for issuance of a cure notice and/or contract termination.